

NC State University  
Guidelines for the allocation and use of F&A Receipts  
February 15, 2010

1. F&A receipts are generally expended in accordance with the expenditure rules used for state appropriated funds with the following exceptions:
  - a. Transfer to capital improvement accounts is permitted
  - b. Carryover of unspent funds requires the prior approval of the VC for Research & Graduate Studies or the Vice Chancellor for Finance & Business.
2. The University Budget Office develops the projected F&A allocation budget based on historical F&A receipts trends.
3. F&A receipts budget is allocated as follows (not in priority order):
  - a. Reserve - A reserve for audit and other contingency costs of 1% is deducted from the projected F&A Receipts budget; the balance is the **F&A budget allocation base**.
  - b. Strategic Research Allocations - administered by the Vice Chancellor for Research & Graduate Studies
    - i. An amount equal to 15% of the F&A budget allocation base is allocated to the VC for Research & Graduate Studies for Strategic Research Allocations.
    - ii. These funds are used to help support start-up packages and equipment for new faculty, matching/cost sharing funds for special research initiatives (especially federal granting opportunities), inter-disciplinary and inter-institutional programs, and special facility upfits and renovations.
  - c. College Support
    - i. An amount of the F&A budget allocation base (less the 15% Strategic Research Allocation in 3b above) is allocated to each college and appropriate academic unit by the VC for Research & Graduate Studies in accordance with the proportional earning of F&A receipts by each college or unit as determined by the Office of Contracts & Grants.
    - ii. Colleges invest this funding in facility/equipment repairs and maintenance, equipment, facility upfits and renovations, space rent, matching/cost sharing, and personnel and maintenance support for their research endeavors.
  - d. Research Administration
    - i. An amount of the F&A budget allocation base (less the 15% Special Allocation in 3b above) is allocated to the VC for Research & Graduate Studies Office of Sponsored Programs and VC for Finance &

Business Office of Contracts & Grants based on the earning rates attributable to these offices.

- ii. Expenditures are for the personnel costs and ongoing operations and maintenance of the Office of Sponsored Programs (pre-award) and Contracts and Grants Office (post-award contract & grant accounting).

e. Library use

- i. An amount of the F&A budget allocation base is allocated to the Library based on the Library's contribution to the F&A rate to maintain currency of research related collections and services.
- ii. Expenditures include space renovation and repairs, equipment, IT investments, and acquisition of library materials and services.

f. Building Use

- i. Allocations are made based on resource requirements as determined by the VC for Finance and Business in consultation with the VC for Research and Graduate Studies and the Chancellor.
- ii. Resources are used to support the continuing development of the campus through retrofitting and construction of new research facilities and may include transfers to capital improvement projects and debt service payments.
- iii. Allocations for Building Use in excess of the calculated earned rate times the F&A budget allocation base (less the 15% Strategic Research Allocation in 3b above) are deducted proportionately from the allocations to the Colleges, Research Administration, and Other Institutional Support (including the Office of Information Technology).

g. Institutional Support

- i. An amount of the F&A budget allocation base (less the 15% Strategic Research Allocation in 3b above) is allocated for Institutional Support based on the portion of the total University F&A earned by the other central administrative units of the University.
- ii. Expenditures are for physical facilities, utilities, and those offices supporting the research infrastructure of the campus, such as the Provost's Office, Chancellor's Office, Centennial Campus, Office of Information Technology, purchasing, payroll, accounting, budget, and personnel.